

## **FISCAL NOTE**

### **SB 3613 - HB 3978**

March 7, 2008

**SUMMARY OF BILL:** Requires any public water system serving 15 or more connections or 25 or more people to provide a water plan which would include a water supply plan, a drought preparedness plan and a water conservation plan. Large systems would be required to submit such plans to the Department of Environment and Conservation by January 1, 2009 and every fifth year thereafter. Small systems would be required to submit their plans to TDEC by January 1, 2010 and every fifth year thereafter. Authorizes joint plans for systems serving the same city or county. TDEC will be required to review plans for compliance and inform systems of the results. Systems would be required to implement the plan within 12 months of receiving notification of compliance from TDEC. Requires TDEC to prepare a guidance document and forms for small systems to complete. Such forms must be available online. Specifies the required content of the plans. Requires each system to submit an annual report to TDEC which would include information concerning customers, capacity, diversions to and from the system, and effluent emissions. Systems will be required to maintain service area map and certain records. TDEC will be required to prepare information to assist the systems in records maintenance.

#### **ESTIMATED FISCAL IMPACT:**

**Increase State Expenditures - \$186,600/Recurring**  
**\$ 16,800/One-Time**

**Increase Local Expenditures\* - Exceeds \$2,500,000/One-Time**  
**Exceeds \$250,000/Recurring**  
**Exceeds \$1,250,000/Every fifth**  
**year**

#### **Assumptions:**

- TDEC will require three new positions to carry out the provisions of the bill. The recurring increase in state expenditures is estimated to be \$186,600 for salary (\$120,000), benefits (\$40,800), travel (\$9,000), printing (\$900), office space (\$8,100), phones (\$1,800), office supplies (\$900), network connections (\$3,600) and an annual contribution to the

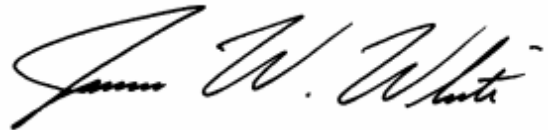
equipment replacement fund (\$1,500). The one-time increase in state expenditures for office landscaping (\$10,800) and PC's (\$6,000) is estimated to be \$16,800.

- Approximately 500 water systems statewide are subject to the provisions of the bill.
- A minimum cost of \$5,000 for each system to design the initial water plan as provided for in the bill. This will result in a one-time increase in local expenditures exceeding \$2,500,000 ( $500 \times \$5,000 = \$2,500,000$ ).
- A minimum cost of \$500 per water system to provide the required annual report. This will result in a recurring increase in local government expenditures exceeding \$250,000 ( $500 \times \$500 = \$250,000$ ).
- The bill requires an update of the original system water plan every five years. Assuming a minimum cost per system of \$2,500 to update such plan, there is estimated to be an increase in local government expenditures of \$1,250,000 every fifth year ( $500 \times \$2,500 = \$1,250,000$ ).

*\*Article II, Section 24 of the Tennessee Constitution provides that: no law of general application shall impose increased expenditure requirements on cities or counties unless the General Assembly shall provide that the state share in the cost.*

## **CERTIFICATION:**

This is to duly certify that the information contained herein is true and correct to the best of my knowledge.

A handwritten signature in black ink, appearing to read "James W. White". The signature is fluid and cursive, with the first name "James" written in a smaller, more compact script than the last name "White".

James W. White, Executive Director

/cce